GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:96
ANSWERED ON:17.07.2017
Performance of ONGC in KG Basin
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the profit and performance of Oil and Natural Gas Corporation Limited (ONGC) in Krishna Godavari Basin has been declined to fifty percent during the last three years and the current year;
(b) if so, the details thereof and the reasons therefor along with the corrective steps taken/being taken in this regard;
(c) whether the heavy decrease in prices of crude oil in the international market has affected the profit of ONGC and if so, the details thereof along with the corrective measures taken by the Government in this regard;
(d) the extent to which profit is affected by the failure of ONGC to replace damaged pipeline due to crack in Nagaram in East Godavari district and the reasons of inordinate delay in the replacement of the said pipeline in time; and
(e) the time by which the said pipeline is likely to be replaced?

Answer

MINISTER OF STATE(INDEPNDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
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(a) & (b)- The details of ONGC's standalone crude oil & natural gas production in Krishna-Godavari Basin during last three years are as under:-
Year
Oil (MMT)
Gas (BCM)
2014-15
0.272
659
2015-16
0.322
831
2016-17
0.292
1338
The production of Oil & gas decreased in 2014-15 mainly due to closure of wells consequent to fire incident in M/s GAIL's Tatipaka-Lanco pipeline in June 2014. The resumption of Oil & Gas production was taken up in a phased manner from September 2014 and all wells have now been resumed.
During 2016-17, the oil production reduced due to decline in major Onshore producing fields namely Gopavaram, Malleswaram and Kesanapalli (W) and GS-15 field of Eastern Offshore.
The decline in Onshore has been offset to some extent by realizing gains from deepening of wells in Kesanapalli (W) field and increase in condensate production corresponding to enhanced Gas production.
Profit/(loss) before tax of ONGC from KG Basin is as below:
Nominated
(Rs. in crore)
JVs
(Rs. in crore)
FY 14-15
(3,387.51)
(2,208.97)
FY 15-16
(1,621.94)
848.14
FY 16-17
(879.51)
(198.68)
(c) to (e). Profit of ONGC depends upon several factors like quantum of production, international prices of crude oil and gas, operational cost, subsidy etc. The average crude oil price decreased from US$ 85.28 per barrel in 2014-15 to US$48.26 in 2015-16 and to US$50.27 per barrel in 2016-17. The net profit of ONGC decreased from Rs.17,733 crore in 2014-15 to Rs.16,140Crore in 2015-16 but increased to Rs.17,900 Crore in 2016-17. The subsidy burden on sensitive petroleum products shared by ONGC has also reduced from Rs.36,300 Crore in 2014-15, Rs.1096Crore in 2015-16 and nil in 2016-17. This has resulted in increase of profit of ONGC marginally. Evacuation of gas from all Source Points of ONGC in KG Basin has been resumed progressively. Presently, GAIL is evacuating all the Gas being supplied by ONGC in KG Basin. GAIL has already replaced entire pipeline 250 km and also commissioned 227 Km Pipeline including the Chinchnada − Tatipaka − Kakinada Junction Pipeline.

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